

Article XII

LIABILITY AND CLAIMS

12.1. Claims against either Party or its personnel shall be dealt with in accordance with the terms of Article VIII of the NATO Status of Forces Agreement (NATO SOFA) dated 19 June 1951.

12.2. The military and civilian employees of a Party, assigned to duty with its Defense Department or Ministry for the purposes of working under this MOU whilst present in the territory of the other Party, shall to the extent that they are so qualified, be members of a "Force" and "civilian component" respectively within the meaning of Article I of the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces (NATO SOFA) signed on 19 June 1951, including the Supplements thereto. Employees and Agents of Contractors cannot constitute a civilian component and NATO SOFA shall not apply to them.

Article XIII

PARTICIPATION OF ADDITIONAL PARTIES

13.1. It is recognized that other national defense organizations may wish to join the Project.

13.2. Mutual consent of the Parties shall be required to conduct discussions with potential additional Parties. The Parties shall discuss the arrangements under which another Party might join, including the furnishing of releasable Project Information for evaluation prior to joining. If the disclosure of Project Information is necessary to conduct discussions, such disclosure shall be in accordance with Article VII (Disclosure and Use of Project Information), Article VIII (Controlled Unclassified Information), Article X (Security), and Article XI (Third Party Sales and Transfers).

13.3. The Parties shall jointly formulate the provisions under which additional Parties might join. The addition of new Parties to the Project shall require amendment of this MOU by the Parties to incorporate necessary multilateral provisions.

Article XIV

CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

14.1. Customs duties, import and export taxes, and similar charges shall be administered in accordance with each Party's respective laws and regulations. Insofar as existing national laws and regulations permit, the Parties shall endeavor to ensure that such readily identifiable duties, taxes and similar charges, as well as quantitative or other restrictions on imports and exports, are not imposed in connection with work carried out under this Project.

14.2. Each Party shall use its best efforts to ensure that customs duties, import and export taxes, and similar charges are administered in a manner favorable to the efficient and economical conduct of the work. If any such duties, taxes, or similar charges are levied, the Party in whose country they are levied shall bear such costs.

Article XV

SETTLEMENT OF DISPUTES

15.1. Disputes between the Parties arising under or relating to this MOU shall be resolved only by consultation between the Parties and shall not be referred to a national court, an international tribunal, or to any other person or entity for settlement.

Article XVI

LANGUAGE

16.1. The working language for the Project shall be the English language.

16.2. All data and information generated under this MOU and its implementing Contracts and provided by one Party to the other Party shall be furnished in the English language. Contracts and related data and information generated outside this MOU shall be provided in the language in which they are drafted.

Article XVII

AMENDMENT, TERMINATION, ENTRY INTO FORCE, AND DURATION

17.1. All activities of the Parties under this MOU shall be carried out in accordance with their national laws and the obligations of the Parties shall be subject to the availability of appropriated funds for such purposes.

17.2. This MOU and its Annexes may be amended only by the written agreement of the Parties.

17.3. This MOU may be terminated at any time upon the written consent of the Parties. In the event both Parties consent to terminate this MOU, the Parties shall consult prior to the date of termination to ensure termination on the most economical and equitable terms.

17.4. Either Party may terminate this MOU upon 60 days written notification to the other Party. Such notice shall be the subject of immediate consultation by the National Project Coordinators to decide upon the appropriate course of action. In the event of such termination, the following rules apply:

17.4.1. The terminating Party shall continue participation, financial or otherwise, up to the effective date of termination.

17.4.2. The terminating Party shall pay the direct costs resulting from termination.

17.4.3. All Project Information and rights therein received under the provisions of this MOU prior to the termination shall be retained by the Parties, subject to the provisions of this MOU.

17.5. The respective rights and responsibilities of the Parties regarding Article VII (Disclosure and Use of Project Information), Article VIII (Controlled Unclassified Information), Article X (Security), and Article XI (Third Party Sales and Transfers), shall continue notwithstanding termination or expiration of this MOU.

17.6. This MOU, which consists of 17 Articles and 2 Annexes, shall enter into force upon signature by both Parties and shall remain in force for three years.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their governments, have signed this MOU.

DONE, in duplicate, in the English language. To be done, in duplicate, in the Italian language, each text being equally authoritative.

FOR THE MINISTER OF DEFENSE
OF THE REPUBLIC OF ITALY

FOR THE SECRETARY OF DEFENSE
ON BEHALF OF THE DEPARTMENT OF
DEFENSE OF THE UNITED STATES
OF AMERICA



Signature

Amiraglio Ispettore Capo

Antonio BOCCHIERI

Name

Title

DIRETTORE GENERALE

NAVALCOSTARMI

Date

1° Agosto 1997

Location

ROMA


Signature

John W. Douglass

Name

The Assistant Secretary of the Navy (RDA)

Title

23 April 1997

Date

1000 Navy Pentagon, Washington DC 20350-1000
Location

ANNEX A

PROJECT PLAN

PROJECT TASK BREAKDOWN

This annex lists the major tasks to be completed during the Project.

DEFINE REPRESENTATIVE OPERATIONAL SCENARIOS - Investigate and define in sufficient detail for simulation a set of operational scenarios which represent the conditions and situations within which the Advanced Standoff Weapon would be expected to operate.

This definition includes settings, geography, threats, targets, friendly and neutral platforms, weather, concept of operations and excursions.

DEFINE BASELINE CAPABILITY - Identify sensors, platforms, weapon systems and command and control capabilities relevant to the operational requirements which shall be fielded in the timeframe of interest under current defense plans (not including ULYSSES).

SELECT MATERIAL ALTERNATIVES - Beginning with a list of potential candidates (existing, to be modified, or to be newly developed) to meet the operational requirements, collect information on these potential candidates and conduct a screening analysis to narrow the list of alternatives for detailed analysis to approximately four systems. Define potential excursions to the screened alternatives.

DEFINE EVALUATION CRITERIA - Prepare a set of measures with which to measure the operational effectiveness, cost effectiveness, operational suitability, and logistic supportability of the baseline capability and the alternatives.

EVALUATE OPERATIONAL EFFECTIVENESS - Assess the operational effectiveness of the baseline capability and the baseline capability with each alternative added. This effort shall include investigation of survivability, lethality and guidance of each alternative. Conduct sensitivity analyses of key parameters to identify critical performance levels.

DEFINE COST - Assess the life cycle cost of each alternative to the US and Italian governments, including development, procurement, and operations and support costs.

ASSESS SUSTAINABILITY - Define and evaluate support concepts for each alternative for Italian and US forces.

ASSESS OPERATIONAL SUITABILITY - Investigate and evaluate the operational suitability of each alternative system. Key issues in this task include compatibility with existing platforms, weapons and targeting and mission planning systems.

ASSESS COST EFFECTIVENESS - Determine the cost effectiveness of each alternative. Analyze the sensitivity of cost effectiveness to changes in key parameters.

FINAL BRIEFING - Prepare and present to the Oversight Board a briefing reviewing the assumptions, methodology, results and conclusions of the study.

FINAL REPORT - Document the study in a written report.

ANNEX B

PROJECT COST BREAKDOWN

Task	Cost
Define Representative Operational Scenarios	\$60,000
Define Baseline Capability	\$300,000
Select Materiel Alternatives	\$160,000
Define Evaluation Criteria	\$40,000
Evaluate Operational Effectiveness	\$800,000
Define Cost	\$300,000
Assess Sustainability	\$40,000
Assess Operational Suitability	\$40,000
Assess Cost Effectiveness	\$100,000
Final Briefing	\$60,000
Final Report	\$100,000
<u>Total</u>	<u>\$2,000,000</u>